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SIPDIS NOFORN

DEPT FOR IO/T JIM DETEMPLE AND IO/MPD LISA SPRATT NSC FOR A. SCHEINMAN DOE FOR NA-24 M. WHITNEY, K. MENDELSOHN, R. GOOREVICH, D. LOCKWOOD

E.O. 12958: DECL: 06/05/2019

TAGS: AORC ENRG IAEA KNNP PREL UN JA

SUBJECT: MOFA COMMENTS ON IAEA BUDGET INCREASE

REF: STATE 57105

Classified By: EST Chief Bart Cobbs, Reason 1.4 (b) and (d).

- 11. (C//NF) Summary: Japan's official position of supporting zero growth in the IAEA budget has not changed, but within the Ministry of Foreign Affairs (MOFA), officials are moving to relax the policy in an attempt to reach a compromise position between the U.S. and those countries supporting zero growth. Japan agrees with the U.S. policy in support of the three Ss, but because Japan has been a strong supporter of zero growth and because of the need for support in the IAEA Director General election from some countries opposed to a budget increase, MOFA is limited in how quickly and how visibly it can change Japan's position on the budget. End summary
- 12. (SBU) EST Chief delivered demarche contained in reftel to MOFA Non-proliferation, Science, and Nuclear Energy Division Director Tomiko Ichikawa June 4. According to Ichikawa, while Japan agrees the IAEA needs to be fully funded to support safety, security, and safeguards, Japan's official position is to support a zero growth budget for the IAEA. She noted Japan has been one of the strongest supporters of zero growth to date.
- 13. (C//NF) However, Ichikawa said Japan understands the importance the U.S. attaches to a budget increase. She noted MOFA is quietly working to relax Japan's strict position in order to allow the U.S. to achieve such an increase. She cautioned that Japan's previous support for zero growth and the need for support in the ongoing IAEA Director General election from some countries opposed to the budget increase will prevent MOFA from too visibly changing the policy. However, Japan will not be a strong opponent to growth and "will not be the one to block a budget increase." Ichikawa noted this is an extremely sensitive and confidential issue for her government (and is not yet official policy), and requested the U.S. make no mention to any other governments about the relaxation in Japan's strict position. She also noted she does not yet know "how far Japan can go" on any budget increase.
- 14. (C//NF) Ichikawa continued by noting the Obama administration's position is a significant departure from the Geneva Group line, and Japan understands the European countries' positions. She expressed hope that a compromise position can be reached between the two sides, taking into account the concerns of the Geneva Group. The Geneva Group needs to find such a compromise, she suggested, because if it does not, this will be seen by the G-77 as an opportunity to control the budget to their advantage.
- 15. (C//NF) In response to a question on moving nuclear

security functions from voluntary contributions to the regular budget, Ichikawa said while she is supportive of such a move, she is uncertain about her budgetary authorities. She continued by noting this issue is becoming very politicized in Vienna, and emphasized we need to find a way forward before the issue becomes too political. She suggested a gradual approach, in which some functions could be moved to the regular budget.

ZUMWALT